



Timika Shafeek-Horton
Deputy General Counsel
550 South Tryon Street
Charlotte, NC 28202

Mailing Address:
DEC 45A/PO Box 1321
Charlotte, NC 28201
704 382 6373 Direct
980 373 8534 Fax

Email Timika.Shafeek-Horton@duke-energy.com

March 28, 2013

VIA ELECTRONIC FILING

Mrs. Jocelyn G. Boyd
Chief Clerk /Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

**Re: Application Regarding the Acquisition of Progress Energy, Incorporated by
Duke Energy Corporation and Merger of Progress Energy Carolinas,
Incorporated and Duke Energy Carolinas, LLC
PSC Docket No. 2011-158-E**

Dear Mrs. Boyd:

In Order No. 2012-517 Approving Joint Dispatch Agreement (“JDA”), the Public Service Commission of South Carolina (“Commission”) conditioned its approval of the JDA on, among other things, the commitment of Duke Energy Carolinas, LLC (“DEC”) and Progress Energy Carolinas, Inc. (“PEC”) to file with the Commission all reports that the North Carolina Utilities Commission (“NCUC”) required DEC and PEC to file in Order Approving Merger Subject to Regulatory Conditions and Code of Conduct, issued June 29, 2012, in Docket Nos. E-2, Sub 998 and E-7, Sub 986. (Order Approving JDA at 43.)

Ordering paragraph 21(c) of the NCUC’s Order requires DEC and PEC to notify the Commission and the South Carolina Office of Regulatory Staff (“ORS”) “at least quarterly when significant changes have been made to algorithms, assumptions and inputs to the [JDA] model and provide an explanation justifying these changes.”

Ordering paragraph 21(d) of the NCUC’s Order requires DEC and PEC to file and provide to ORS “all the information necessary to conduct an audit (i.e., spot check) of the model inputs and outputs as often as monthly, until the utilities and the [ORS] have gained experience with the model, and at least quarterly thereafter.”

The required documents are attached. The document entitled, Post Analysis Design Document for Duke-PGN relates to Ordering paragraph 21(c) and contains algorithm changes

made during the quarter. These changes are to simplify the JDA algorithm and are in response to guidance from the Federal Energy Regulatory Commission and the North American Electric Reliability Corporation regarding transmission network use for off-system sales. These changes have no impact on the JDA savings. A clean and red-line version of the document is attached for your convenience. The remaining documents pertain to Ordering paragraph 21(d). All of the attached documents are CONFIDENTIAL. They contain proprietary and commercially sensitive information that if disclosed, could harm DEC's, PEC's and their vendor's position in the competitive market. Accordingly, the attachments have been marked "CONFIDENTIAL." DEC and PEC request that they be permitted to file the attachments under seal and that the attachments be maintained as confidential pursuant to Order No. 2005-2006, "Order Requiring Designation of Confidential Materials" and 26 S.C. Code Ann. Regs. 103-804(S) (2) (Supp. 2010).

Please feel free to contact me if you have any question.

Sincerely,



Timika Shafeek-Horton
Deputy General Counsel

TSH/gf

Attachments

cc: Courtney Edwards, Office of Regulatory Staff
Sharon Hudson, Office of Regulatory Staff
Parties of Record